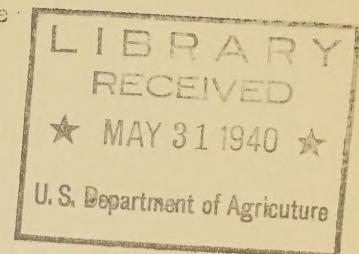


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United States Department of Agriculture

Bureau of Agricultural Economics

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A STATEMENT ON TWO SUGGESTED SOLUTIONS FOR THE
PROBLEM OF FARM UNEMPLOYMENT AND UNDER-EMPLOYMENT.

by

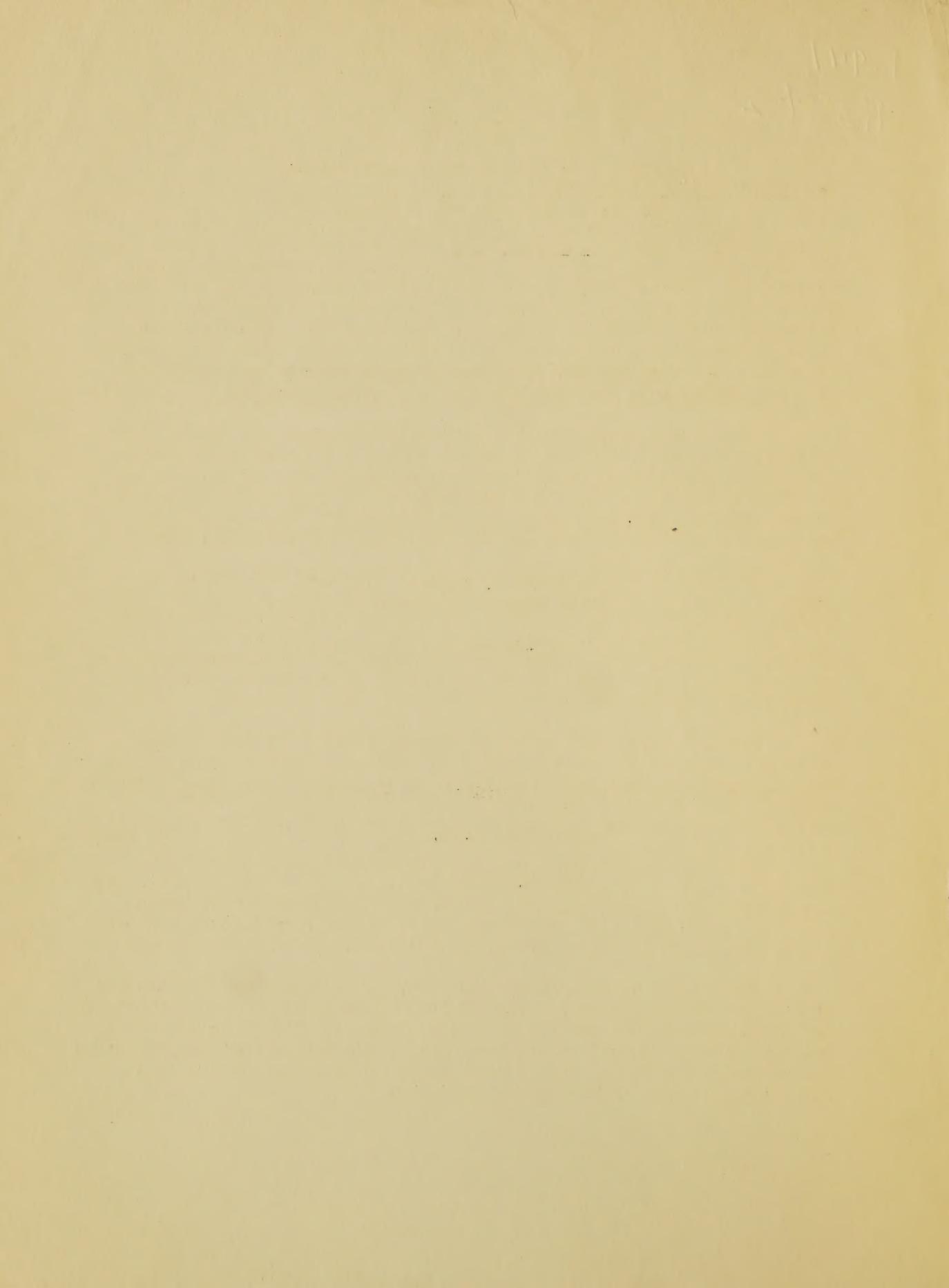
Raymond C. Smith
Chief Program Analyst.

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Presented before the Senate Committee on Education and Labor.

Washington, D. C.

May 24, 1940



I. A Rural Conservation Works Program.

In agriculture we are confronted with two major problems not unlike those of unemployment and idle plants in industry. On the one hand we have the need on the farm to build back through a broad program our depleted soil, water, and forest resources. On the other hand we need to find secure incomes for more than 3,000,000 men now living on farms, half of whom were registered in 1937 as totally or partially unemployed while the other half and their dependents barely exist on gross cash incomes from their farm operations averaging less than \$200 annually.

From these groups come the vast majority of serious relief cases in rural areas and out of their ranks are recruited most of that hopeless and landless group of migrants who today wander over the face of the richest nation in the world in search of an opportunity to make a secure living. With each passing year 200,000 additional males of working age are likely to be looking for opportunities on the land.

But this is one side of the problem that confronts us on the land. The very areas in which most of the needy farm people live are one and the same with those areas in which our natural resources have been punished the most severely, where soil depletion and erosion is the most advanced, where forests have been the most ruthlessly cut over, and where land, water, and forest resources are unprotected from further abuse by man and nature.

One of the greatest needs of the nation is to bridge the gap between the man on the land either with inadequate income or no job at all, and the conservation job that has to be done. A rural conservation works program that would marshall this unused and wasted man-power to perform the needed task of conservation on the farm suggests itself as a natural solution to this two-fold problem. Such a program would meet two needs. It would supply jobs or supplemental income to meet the immediate needs of these 3,000,000 farmers. It would make possible the accomplishment of greatly-needed additional conservation work on our land that would pay permanent dividends in larger farm incomes and more secure homes on the land through the years that lie ahead.

Human erosion and soil erosion are, in reality, but twin aspects of a single problem on the land. If these unemployed and under-employed men on farms and this great task of conserving natural resources can be brought together through such a program, both human and natural resources can be conserved by the same activity, one check would pay two bills, and a single stone would slay two Goliaths.

Just where are these unemployed and under-employed farm people living? Figure 1 on page 3 shows the location of 971,000 males of productive age living on farms who registered in the Unemployment Census of 1937 as totally unemployed or receiving only emergency public work. (Only 266,000 of them were receiving any emergency work.)

Figure 2 on page 4 shows the location of 576,000 who registered in the same census as partially unemployed.

The location of more than 1,500,000 other farm families who received pathetically small incomes in 1929 may be noted in Figure 3 on page 5. The average gross farm income of all families receiving below \$600., shown in this figure, was \$375. Of this, approximately \$180. represented products consumed at home, leaving \$195. as average gross cash farm income, out of which rent and cash operating expenses had to be paid before the remainder could be used for family living.

Those farm families with gross farm incomes below \$600. made up various percentages of all farm families, State by State, as indicated in Figure 4 on page 6.

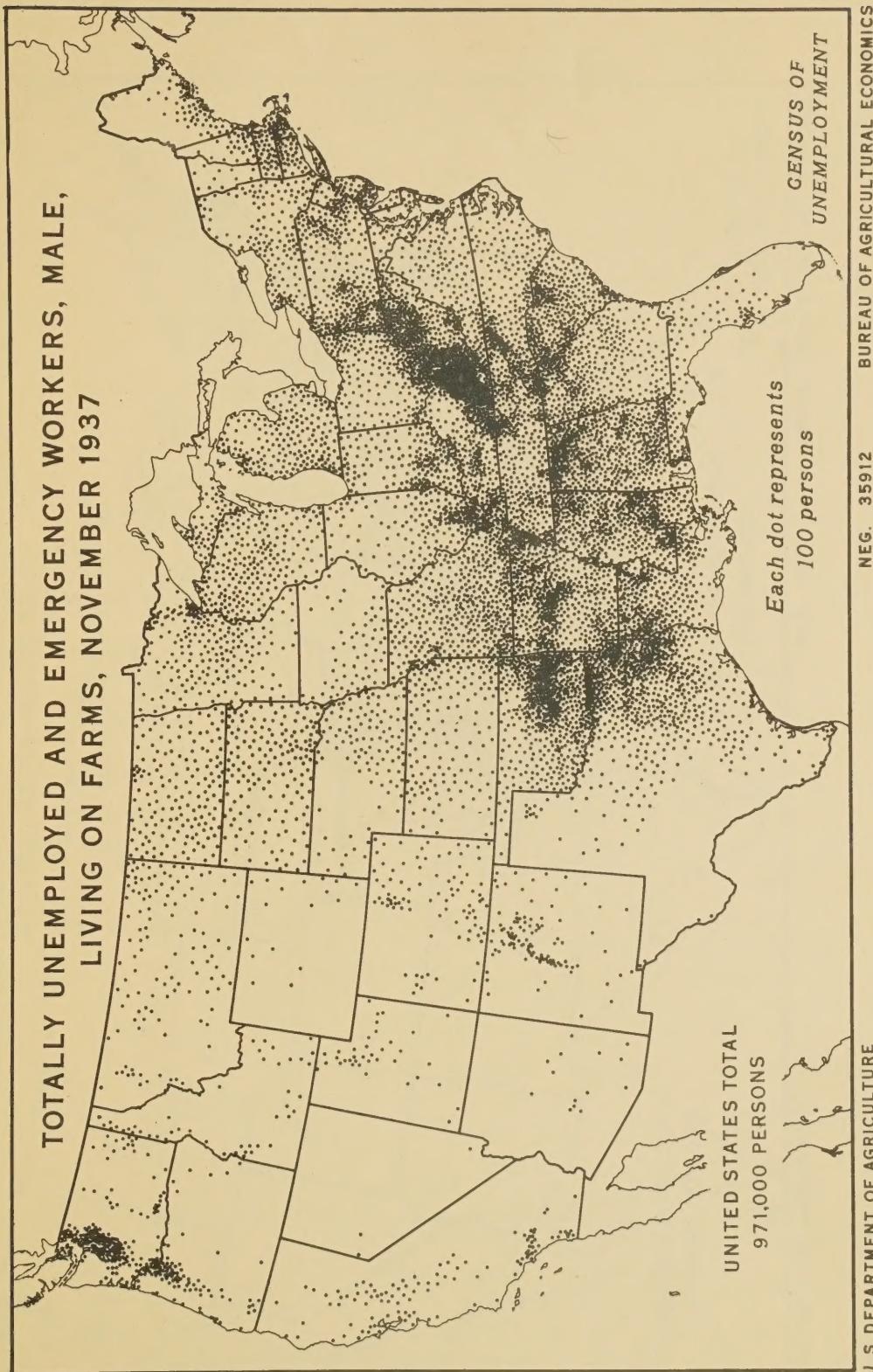


Figure 1.—Totally unemployed and emergency workers living on farms in November 1937 were most numerous in the South, notably in the hills of eastern Kentucky and West Virginia, northern Georgia, and Alabama, western Arkansas and eastern Oklahoma. Relatively few were registered in the Corn Belt, notably the prairie portion, where in most counties farm population declined during the depression. In general, the unemployed farm population is greatest in areas of high birth rates, hilly or poor soils, and small farms.

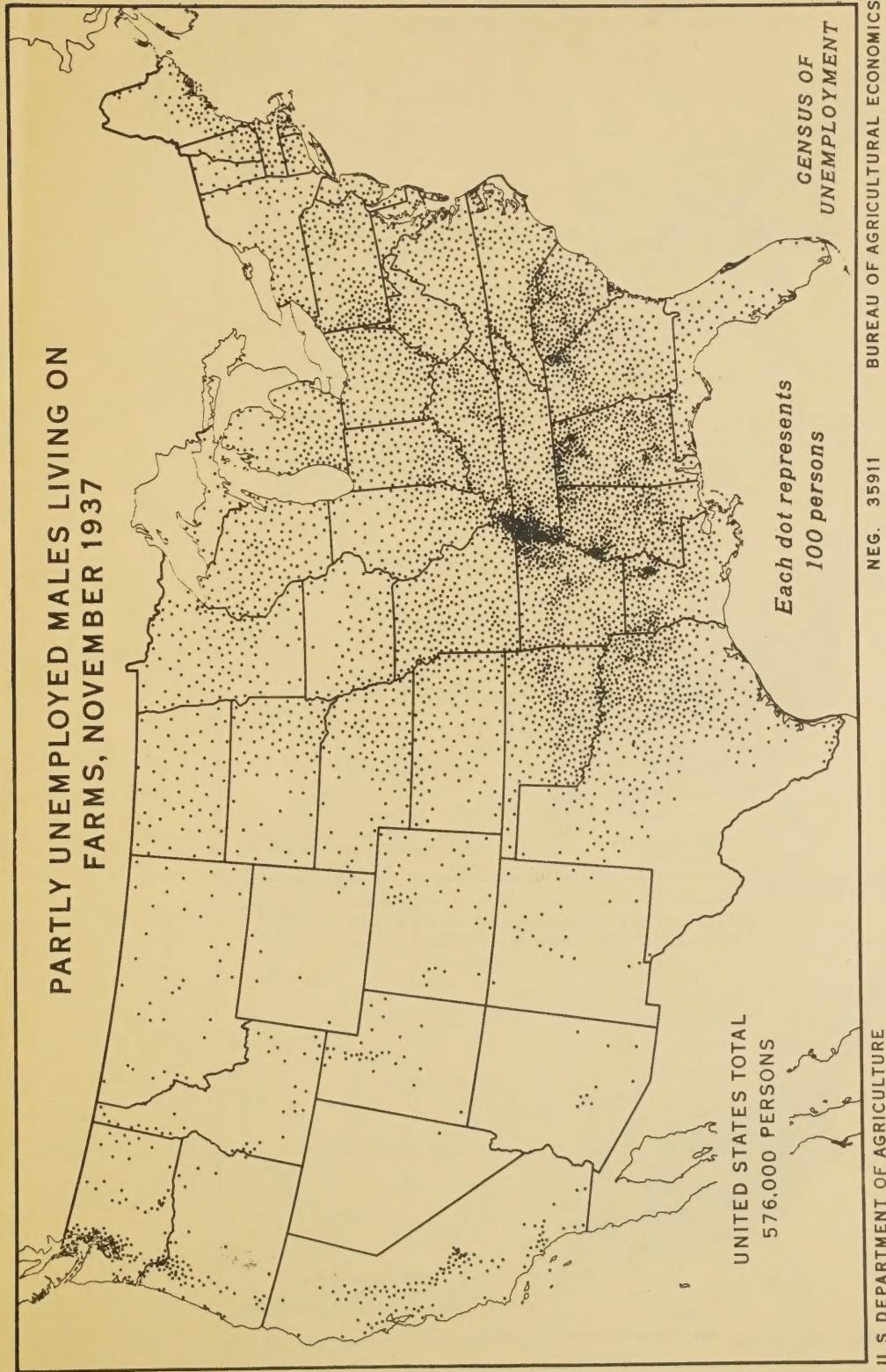


Figure 2. — Persons living on farms who registered in the unemployment census of November 1937 as partly unemployed were numerous in the Cotton Belt, particularly in the Mississippi river bottom lands of eastern Arkansas and southeastern Missouri. But large numbers registered also in the Appalachian region, extending from Maine to northern Georgia and Alabama, in Ohio, Indiana, Missouri and the Lakes States, also in the valleys of the Pacific Coast. Relatively few registered in the Corn Belt and the Wheat Belt.

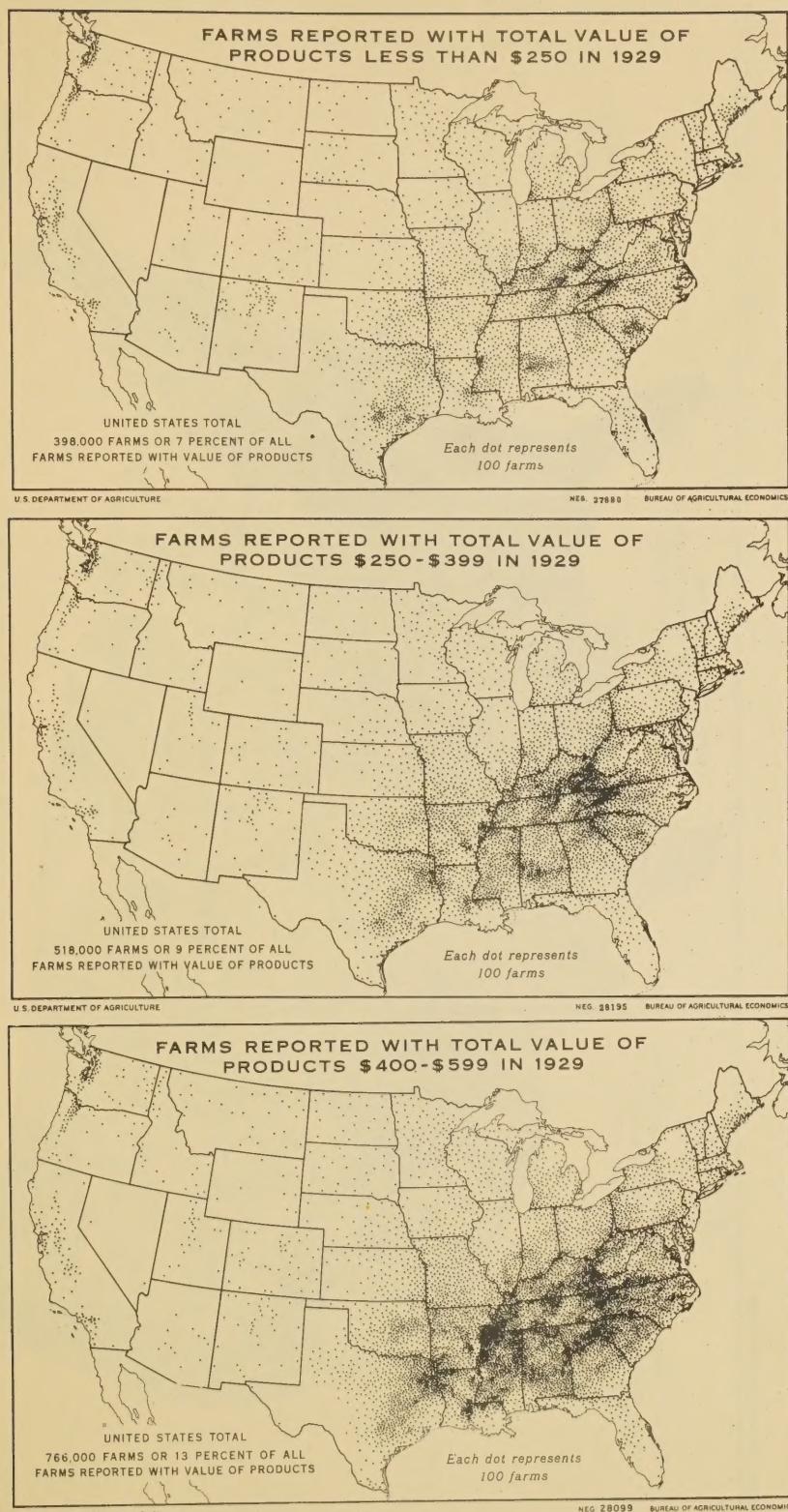


FIGURE 3

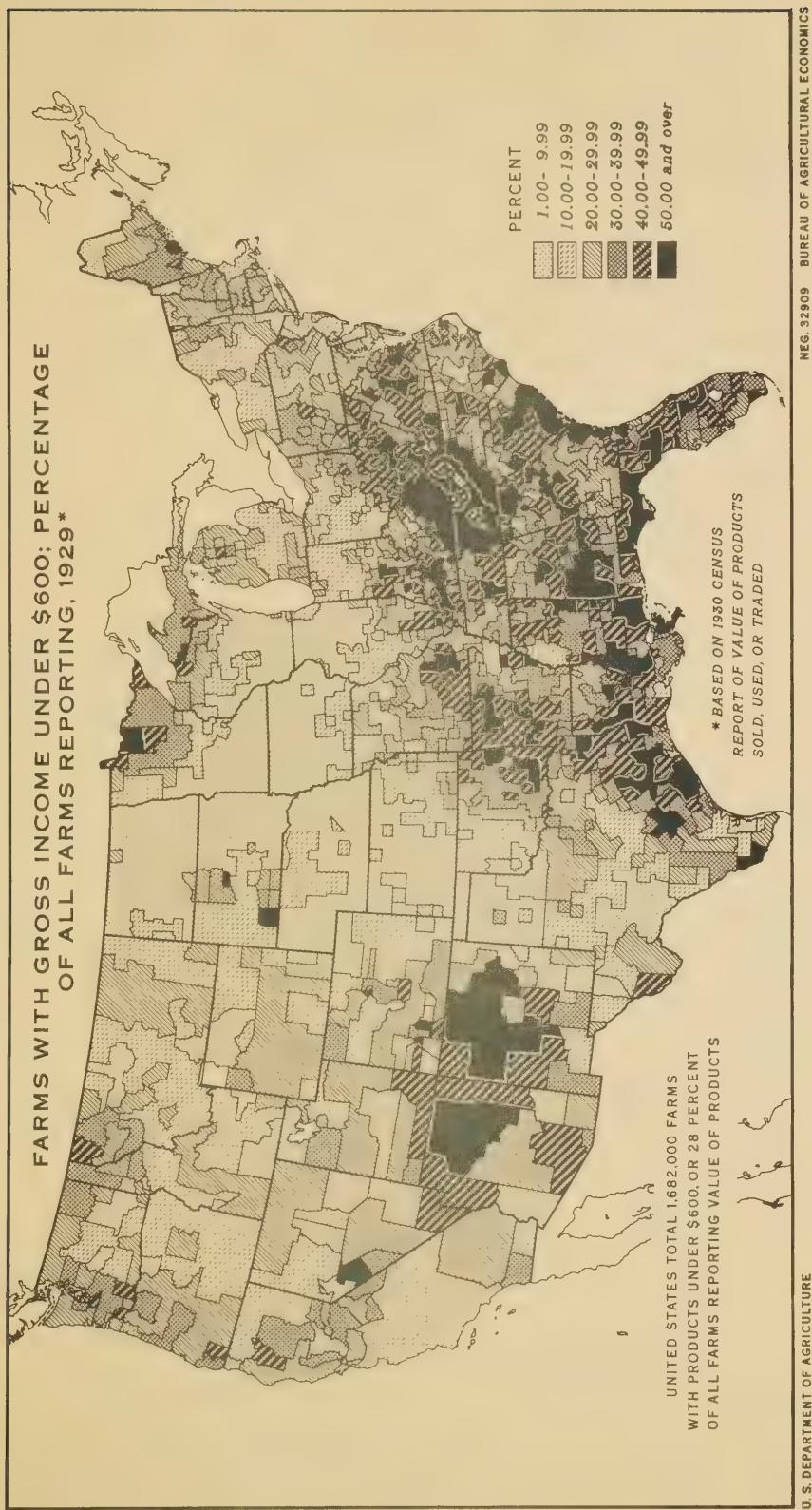


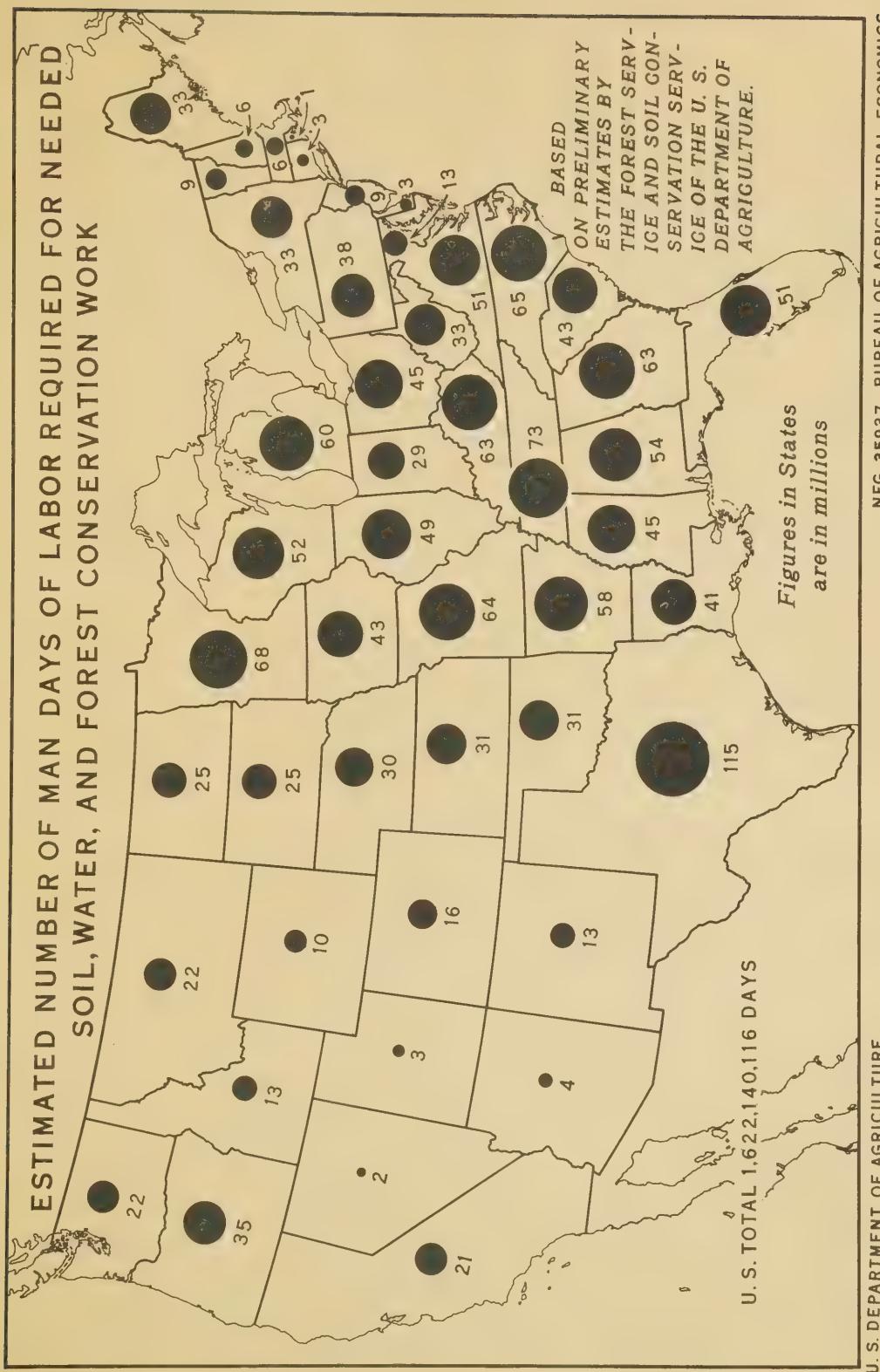
FIGURE 4

Now that we have seen where the idle hands are located, let us examine the conservation job and notice where it is awaiting their attention. According to the results of a reconnaissance survey of the entire country made in 1934, approximately 52 million acres of land have been essentially destroyed for tillage, 151 million acres severely damaged, and 1,373 million acres moderately to slightly damaged.

Of the total land area of the United States 1,054,515,111 acres are in farms. From this land it is estimated that not less than 3 billion tons of soil are removed every year by erosion. In this 3 billion tons of soil wasted each year is the equivalent of 90 million tons of phosphorus, potassium, nitrogen, calcium, and magnesium. These are the principal elements of plant food in commercial fertilizer and if we figure their value at which they would cost in the form of commercial fertilizer at present prices this annual loss represents \$6,000,000,000. With good conservation measures applied, it is estimated that at least three-fourths of this annual loss could be prevented.

Serious depletion of forest resources not only from failure to handle properly the areas which have been cut over ruthlessly but also from preventable fires adds to these staggering losses. The need for replanting many areas primarily suitable for forests, and for timber stand-improvement work is acute. Forest conservation work and soil and water conservation measures such as terracing, contouring, stabilization of drainageways, and construction of water diversion, spreading, and storage structures are needed.

But just where is the need for conservation work the greatest? Figure 5 on page 8 shows the geographical distribution of the need for additional conservation work over and above that now being accomplished.



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FIGURE 5

For convenience in making comparisions between farm people in need of part or full-time employment and natural resources in need of additional conservation measures, both needs have been reduced to man-days of labor as a common denominator. Figure 5 on page 8 which shows by States the estimated man-day requirements for accomplishing needed conservation work can now be compared with Figure 6 on page 10. This fugure shows the estimated number of man-days of labor available annually in each State from unemployed and under-employed farmers to do the work.

It may be noted that there is a high degree of coincidence in the location of the man-hours of labor available and the man-hours of labor which would be required. This suggests the feasibility of a rural conservation works program as a means of getting these two needs, the need for conservation of physical resources and the need for utilization of wasted human resources, together in the interest of the general welfare.

The relationship between the man-days of idle labor available and the man-days of labor which would be required for additional soil, water, and forest conservation work also may be noted by examining the figures in Table I on page 11. This table contains the information on which Figures 5 and 6 are based.

It may be noted by looking at this table or by comparing Figure 5 with Figure 6 that enough man-days of work are required for the conservation job to utilize the unoccupied time of the needy people described for several years. While the period varies by States, it averages approximately four years.

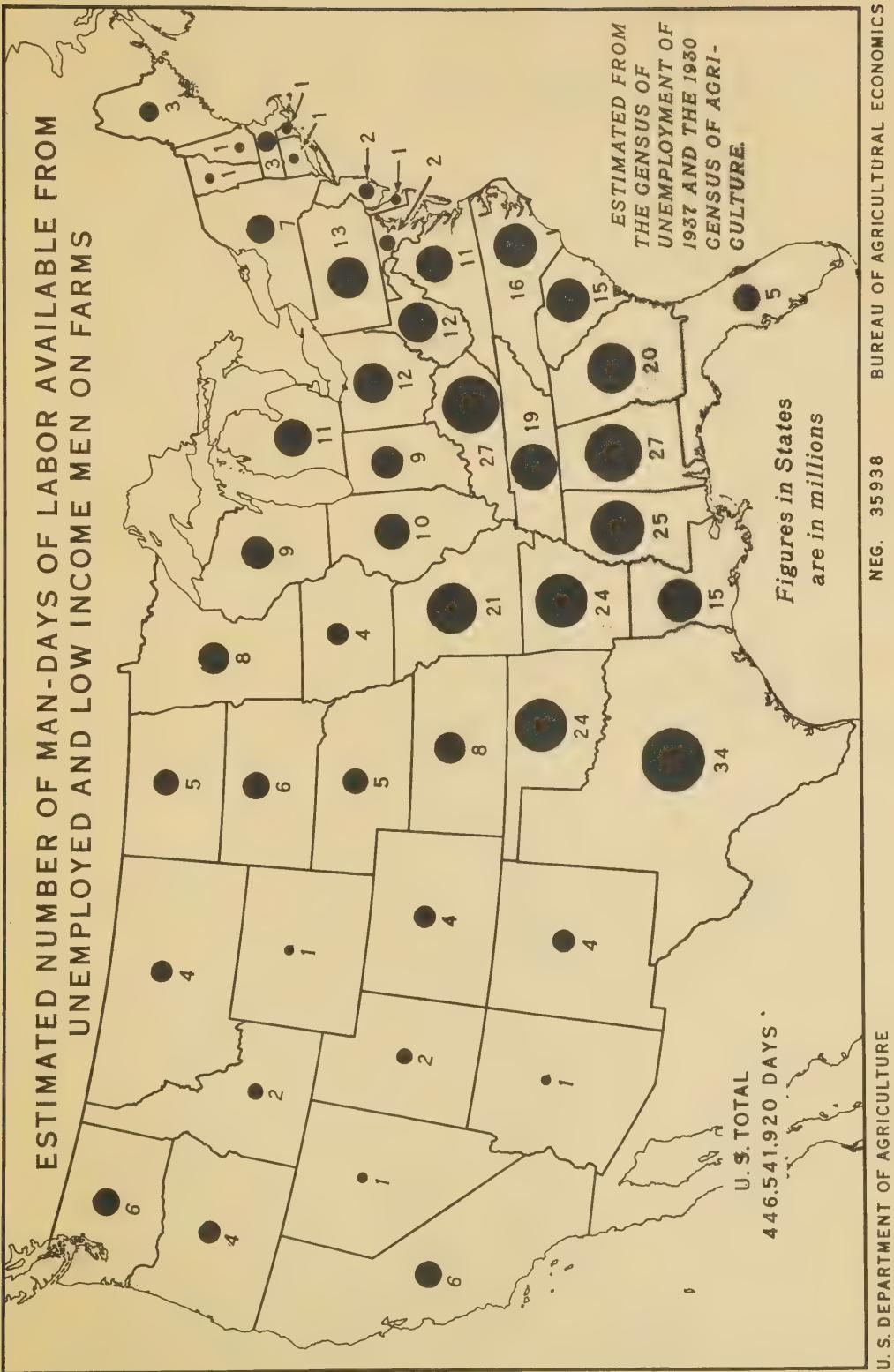
**FIGURE 6**

TABLE I

ESTIMATED NUMBER OF MAN-DAYS OF LABOR AVAILABLE
FROM UNEMPLOYED AND LOW-INCOME FARMERS AND NUMBER
REQUIRED FOR NEEDED CONSERVATION WORK

	Total Man-Days Available <u>/1</u> (Thousands)	Total Man-Days Required for Con- servation Work <u>/2</u> (Thousands)
New England		
Maine	2,577	32,538
New Hampshire	1,204	6,413
Vermont	799	8,778
Massachusetts	2,509	6,349
Rhode Island	343	472
Connecticut	<u>1,293</u>	<u>2,711</u>
Total	8,725	57,261
Middle Atlantic		
New York	7,163	32,987
New Jersey	2,129	8,977
Pennsylvania	<u>12,868</u>	<u>37,540</u>
Total	22,160	79,504
East North Central		
Ohio	20,012	44,554
Indiana	8,887	28,975
Illinois	9,746	49,303
Michigan	10,757	59,721
Wisconsin	<u>8,682</u>	<u>51,845</u>
Total	50,084	234,398
West North Central		
Minnesota	8,496	67,821
Iowa	3,900	43,369
Missouri	20,846	64,150
North Dakota	5,079	25,098
South Dakota	5,570	25,114
Nebraska	4,800	29,909
Kansas	<u>7,503</u>	<u>20,803</u>
Total	56,194	286,264

/1 Includes the available time of the 1,547,000 males living on farms who registered in the unemployment census of 1937 as totally or partially unemployed or as having only emergency employment; also 90 days time of approximately one and one-half million farmers in greatest need of supplemental income.

/2 Includes conservation requirements on soil, water, and forest resources.

	Total Man-Days Available /1	Total Man-Days Required for Conservation Work /2
	(Thousands)	(Thousands)
South Atlantic		
Delaware	1,327	2,519
Maryland	1,750	13,405
District of Columbia	1	-
Virginia	11,166	51,286
West Virginia	12,282	33,099
North Carolina	16,342	65,050
South Carolina	14,738	43,387
Georgia	19,656	62,575
Florida	5,022	51,063
Total	81,283	322,386
East South Central		
Kentucky	27,352	62,647
Tennessee	19,379	72,717
Alabama	26,610	54,470
Mississippi	25,188	45,422
Total	98,529	235,257
West South Central		
Arkansas	24,186	58,278
Louisiana	14,870	41,219
Oklahoma	23,667	30,984
Texas	34,157	115,340
Total	96,880	245,821
Mountain		
Montana	4,030	22,472
Idaho	2,007	13,312
Wyoming	1,752	9,939
Colorado	3,579	16,016
New Mexico	3,626	12,897
Arizona	1,767	4,117
Utah	1,723	3,014
Nevada	1,125	1,751
Total	16,609	83,517
Pacific		
Washington	6,334	21,847
Oregon	3,830	34,854
California	5,892	21,030
Total	16,056	77,731
U. S. TOTAL	446,520	1,622,140

/1 and /2 See footnotes at bottom of 1st page of table.

It appears that it would be a real step forward if a program could be devised which would make possible the utilization of the unoccupied time of farm people in dire economic circumstances in such a way as to enable them to earn additional immediate income, and at the same time result in the conservation of the natural resources upon which they must depend for a livelihood in the future. Considering the fact that neither governmental programs nor private initiative have as yet been successful in serving adequately the needs of many thousands of needy farm families, and that conservation efforts are not yet even keeping pace with the rate of exhaustion of natural resources, a rural conservation works program directed toward conservation of both physical and human resources should be a worthwhile undertaking. Society as a whole would be benefited by additional efforts in the conservation of the human and natural resources of the nation. By the same token, society as a whole might well assume more responsibility through public action to assist in bringing about more conservation of our human resources and of our soil, water, and forest resources.

It appears that a rural conservation works program could be administered without great difficulty. The Department of Agriculture has already gained considerable experience in conserving natural resources. The kinds of measures appropriate for conserving soil, water, and forest resources are well known and are already being practiced although on too limited a scale. Most of the work could be handled by unskilled labor under proper supervision. Unemployed and under-employed farmers are qualified to do the work. The work could be so scheduled that those farmers who are presently totally unemployed could devote full time to it, while other farmers, a part of whose time is required by their limited farming operations, could be available for work for several months each year during off-seasons.

Both public employment supported by public works projects payrolls and private employment supported by public or private credit could well be involved. A distinction would have to be made between low-income or unemployed farm people and other farmers above the low-income level. Conservation work could be undertaken under the program on lands belonging to both types of farmers. The laborers employed, however, on both types of farms should come from the unemployed and under-employed farm group. Where the conservation work which would provide employment opportunities to needy farmers in an area would add substantially to the value of a farm owned by a comparatively prosperous farmer, the owner of such a farm should either finance an appropriate part of the cost of such work himself through loans, or, where the work could best be performed through public projects, agree to repay a proper portion of its cost, or stand a proportionate share of the total cost through contributions of material, equipment, or labor. Where the owner of the land to be conserved himself might qualify as in the low-income group and in need of public assistance, or a needy tenant where proper leasing arrangements would assure the benefits to the tenant, it would be appropriate for the public to bear a large portion of the cost. It also would be proper for the public to bear all or a large part of the cost where

the conservation work would add little or nothing to the value of a particular farm, but was undertaken primarily to protect other lands, highways, reservoirs, or other public properties.

The determination of the portion of the total cost which the land-owner should repay would be one important consideration in administering a rural conservation works program. Local committees of farmers could be used to recommend what portions of the total costs should be borne by the public and the land owner respectively. To the extent that public credit was used to support private employment in conservation work, the principles underlying the surplus commodity stamp plan might be applied. Lower interest rates on more favorable repayment terms, or both, might be made available to large landowners who would agree to employ families certified as in need of public assistance while less favorable terms might be offered where the borrower desired to employ other than needy people.

Within a particular area, and even on the same farm, a conservation program might be developed involving both public works projects and private work supported by public or private credit. Thus, a public works project in a particular locality might be undertaken in which certain large-scale operations would be financed at public expense to constitute a developmental skeleton, while loans on a self-liquidating basis, or a combination of loans and grants, depending upon the economic status of the landowners, could be made to individual farmers for work on their own farms necessary to complete the area conservation plan.

It is now becoming more and more recognized that there is a public interest and a benefit to the general public in conservation of our natural resources. It would seem therefore that the public should assume a part of the cost of conservation measures on privately-owned land. The public is already bearing a large relief burden which could be eliminated or at least greatly reduced, through a rural conservation works program. As envisioned in this discussion, a rural conservation works program, to a considerable extent, would be self-liquidating.

The two-fold objective of a rural conservation works program, that of conserving both physical and human resources, has been set forth above. The need of farm people for jobs or for supplemental income has been pointed out. The need for additional conservation of soil, water, and forest resources has been indicated. It appears that the proposed program would be in the interest of the general welfare, and that through this one activity a substantial contribution could be made in meeting both of these needs. The unemployed human resources and the need for protection and conservation of wasting physical resources lie side by side in the same areas. A rural conservation works program would provide these unemployed and under-employed farm people an opportunity to use their unoccupied time in earning much-needed immediate additional income in an activity which would improve the physical resource base upon which they must depend for a living in the future.

II. A Rural Housing Program.

Another opportunity for idle hands in farm areas is to provide adequate housing for poorly housed farm people. As in the case of need for conservation work, the greatest need for improved housing also is found in the areas where we have the largest number of unemployed and under-employed farm people.

One cannot think of housing in rural areas as something apart from land. In farm areas, one usually does not buy or rent a home, but a farm. The house goes with the land. The kind of house found on a farm is usually closely related to the fertility of that land and to the farm income. However, there are some areas, such, for example, as the Mississippi Delta, where we have poor people and poor housing associated with rich land. This is an area where a large percent of the farmers are tenants or share croppers.

The conditions of tenure are important. Farm owners in general have better housing than tenants, and tenants better than either share-croppers or laborers. Here, too, are exceptions. In the Southern Appalachian Area, for example, we find that a very high percent of the farmers own their land, but that the soil resources are so poor, and the farms are of such inadequate size in terms of crop acres, that we have extreme poverty and some of the worst housing conditions in the country associated with ownership.

Let us first look at the rural housing problem from a national standpoint. The Farm Housing Survey undertaken in 1934 covered all states except Pennsylvania and New York. Representative counties numbering 308 were selected by state committees in the 46 states surveyed. Almost 600,000 farm homes, representing nearly ten percent of the farm homes of the nation were included in the study. At the time of the study 15 percent of those homes were under 10 years of age, while almost 20 percent were over 50 years of age.

Nine percent had indoor toilets, eleven percent had bathtubs, 28 percent had kitchen sinks with drains, and nine percent had central heating plants. Fifty percent were reported as in poor structural condition, 15 percent needing new foundations, between 15 and 20 percent needing new roofs, between 10 and 15 percent needing new floors, about 10 percent needing extensive repairs and replacement of exterior walls, while 10 percent were estimated as beyond repair and requiring replacement. This describes in a rough way the condition of farm houses throughout the nation in 1934, and can be used as a measure of the employment opportunities that would be provided by repairing and replacing farm homes.

In comparing rural housing from State to State an index of condition, based upon condition of foundations, exterior walls, roofs, chimneys, doors, and windows, interior walls and ceilings, and floors, and an index of degree of crowding, based on the number of persons per room were used.

By examining Figure 7 on page 17 a comparison of the condition of houses and of overcrowding can be made by states. Such a comparison will show that the poorer the condition of the house the more the overcrowding.

The States in the lower right hand corner of the Figure are the areas in which the houses are in the poorest condition and in which we find the most overcrowding. Most of these states are in the areas where we have the largest numbers of unemployed and under-employed people living on farms. In general, there is a relationship State by State, and also area by area within the same state, between the need for improved rural housing and the need on the part of farm people for jobs or supplemental income.

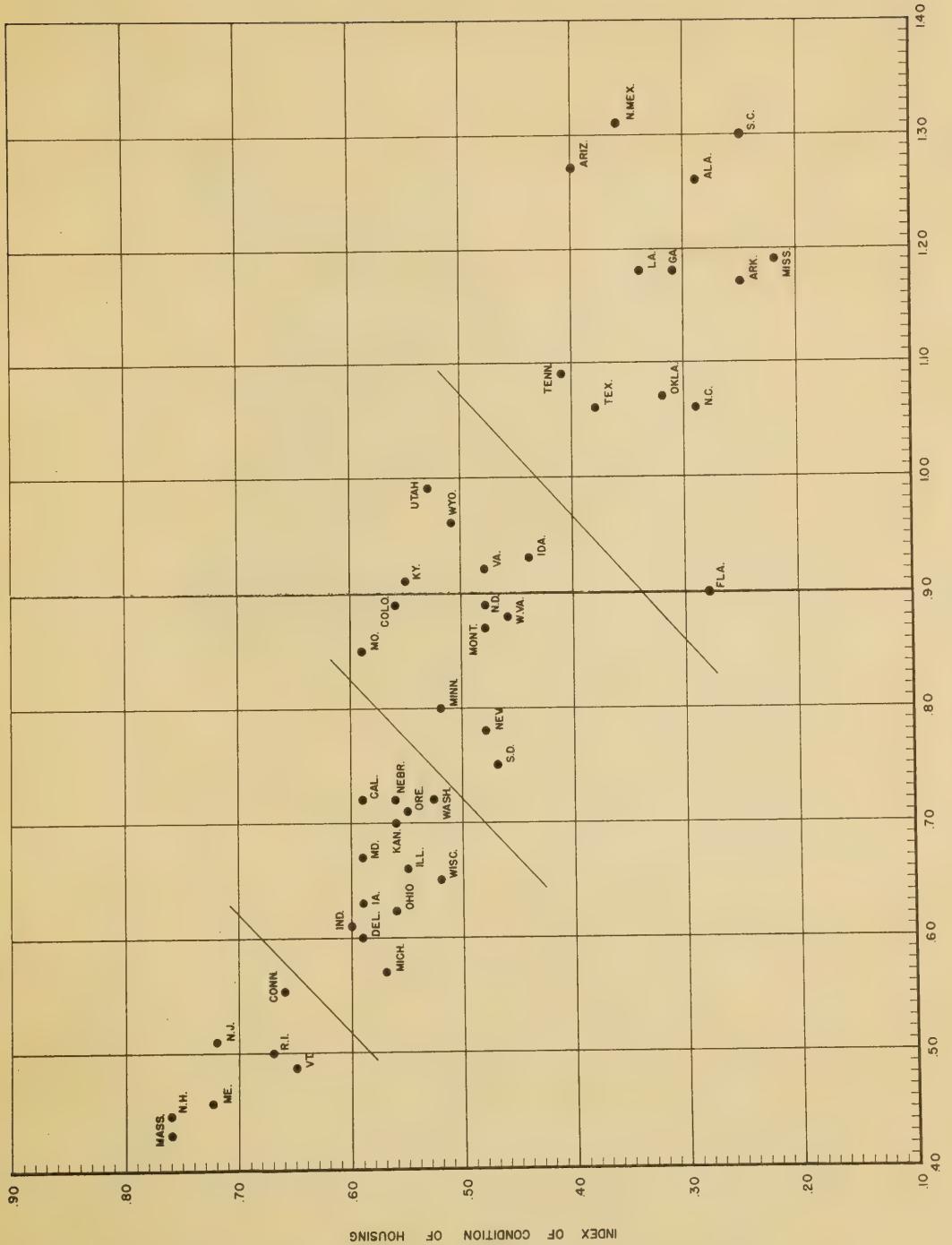
Figure 8 on page 18 shows the value of farm-dwellings by States. Figure 9 on page 19 shows by States the value of farm dwellings per farm. By comparing Figures 7, 8, and 9 with Figure 6, which shows the distribution of the unused man power on farms, the coincidence geographically between the location of the need for improved rural housing and of this wasted human resource can be noted.

It should be kept in mind that the statistics given above, describing the condition of rural homes apply to the nation as a whole. In some areas, the areas of rural slums, housing conditions are very much worse. While rural slums are common in some sections of the country, they seem not to have attracted as much attention as have urban slums, although the need for their elimination may be as great, or even greater, than the need for eliminating the slums in our large cities.

A survey made recently by one of the agencies in the Department of Agriculture throws some light upon housing among farm families living under what might be called slum conditions. Data are being obtained for approximately 50 families in each of nine counties. These counties were in the seven States of Georgia, Kentucky, Virginia, Missouri, New Mexico, Washington, and Minnesota. While the data are as yet incomplete, as reports have been made for only 344 families, certain figures stand out.

The most usual source of water was a spring or an open well. Only 6 percent of the families reported a well or spring properly covered. Only two percent reported kitchen sinks and less than one percent had pumps in their kitchens. Four of the counties reported that from 25 to 68 percent of the families had no toilets at all, either indoor or outdoor, while for all of the families the percentage without toilets was 21. Only fifteen percent of all families had sanitary outdoor toilets. In all counties a large percent of the families reported roofs, floors, walls, and foundations needing repair. Some families had no glass in the window openings while in six of the counties from 46 to 90 percent had no screens.

ROOM USE AND CONDITION OF FARM HOUSES IN 308 SELECTED RURAL COUNTIES OF THE U.S.



SOURCE: HOUSING SURVEY
BUREAU OF HOME ECONOMICS
46 STATES
(46 NEGATIVE NO. 509)

FIGURE 7

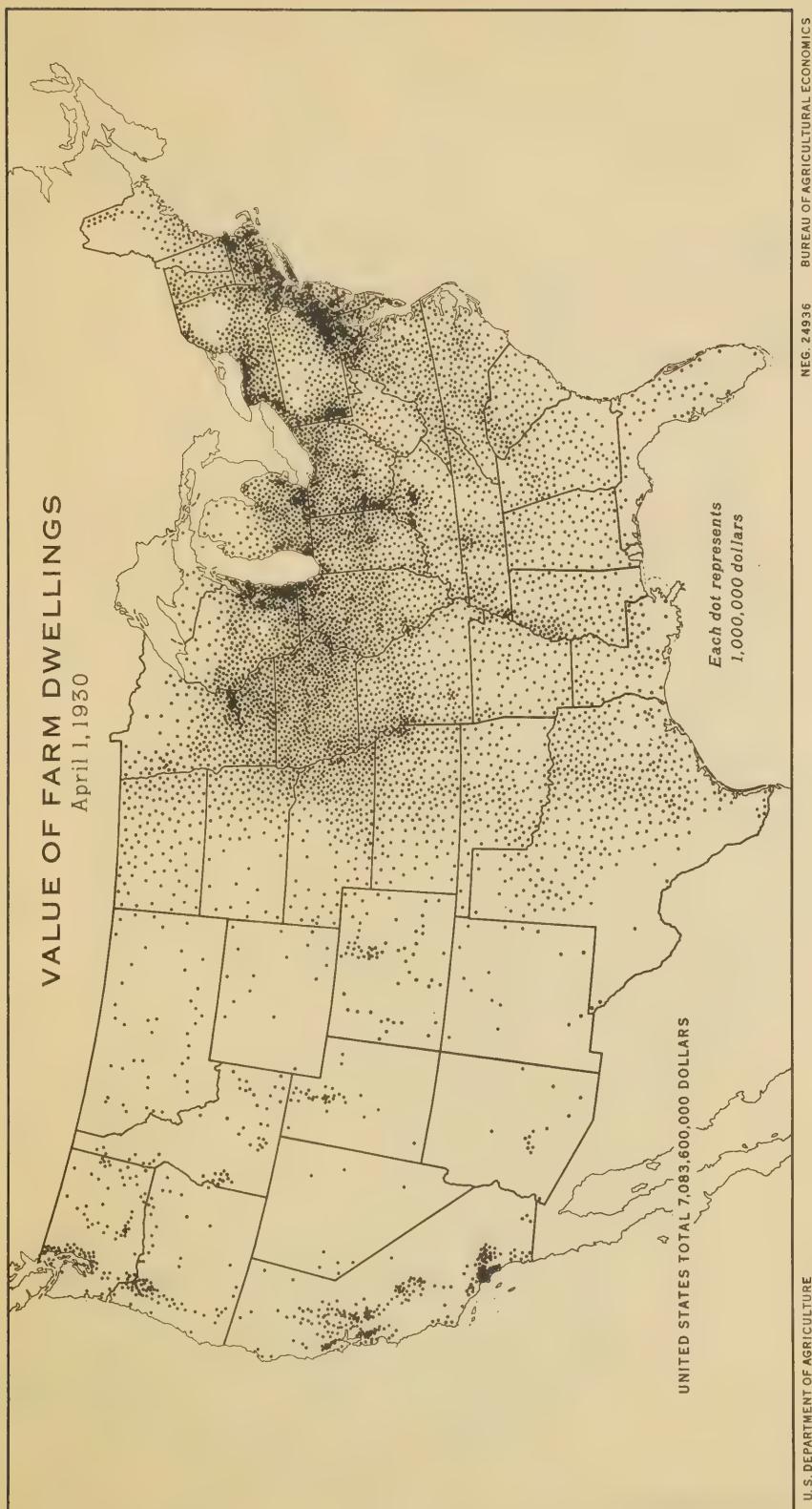
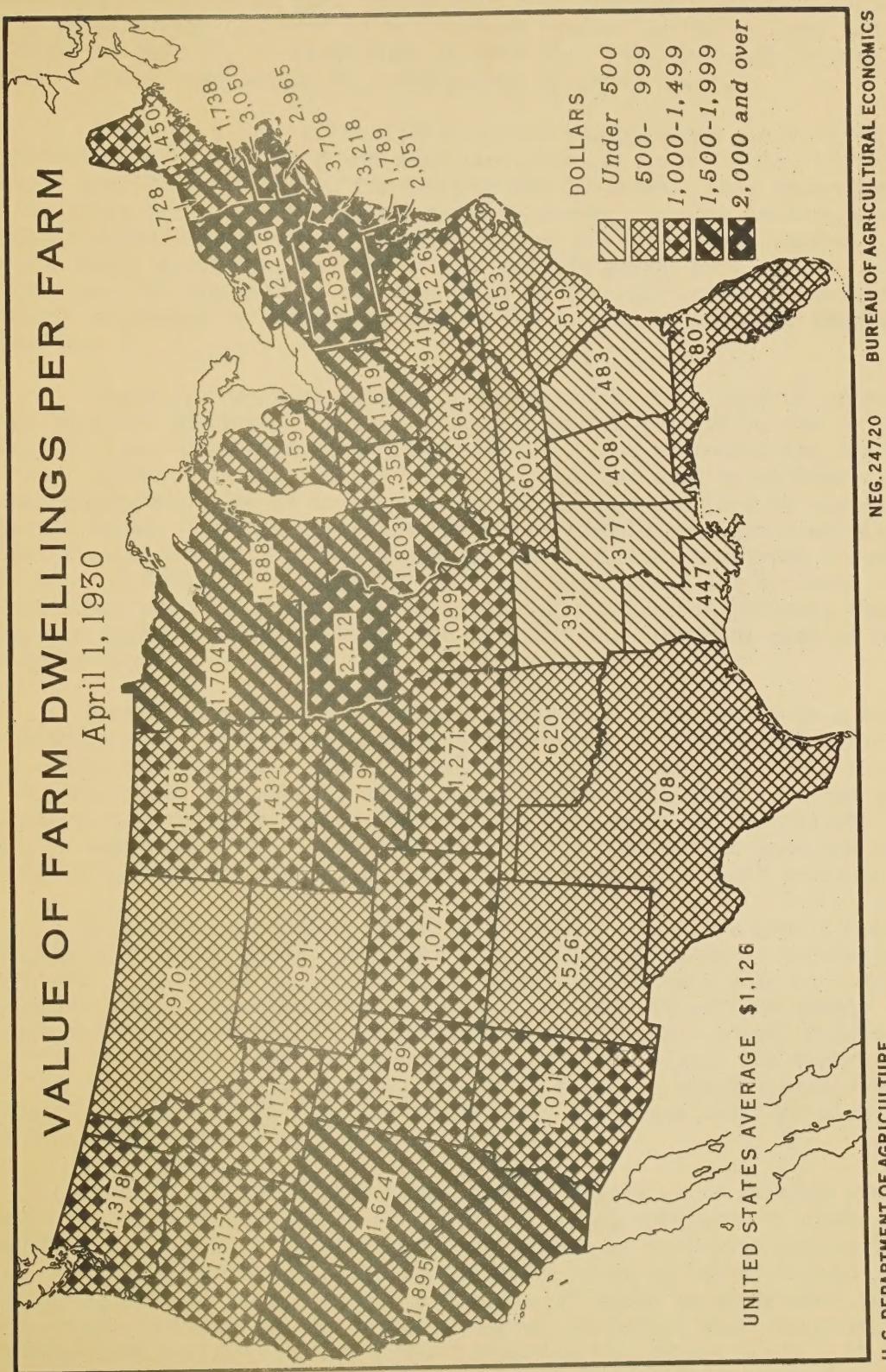


FIGURE 8



While the figures just presented describe conditions in some of the worst rural areas, the need for improved rural housing over wider areas also has been pointed out. Since this need coincides, to quite an extent, in location with the need on the part of people living on farms for additional employment, it seems that an extensive rural housing program would make a real contribution in meeting both of these needs.

Probably a part of the job could be accomplished entirely through private initiative. No doubt many landlords, through the use of credit, could provide better homes for tenants and laborers. Some owner operators could repair the houses which they occupy. In both instances employment opportunities would be created without government assistance. On the other hand, government assistance and subsidy would, no doubt, be required for a part of the task if our objective is that all American families should be housed in accordance with at least minimum adequate standards of decency.

Three different situations with respect to the relation of housing and land are involved. In some cases a house in need of repair or replacement will be found on a farm with sufficient land to enable the operator to make a living. In other cases the land resources will be so poor and of such inadequate size as to make it impossible for the farm to support a decent house. In such cases the government should consider complete rehabilitation not only of buildings, but of families, involving adjustments in size of farms, if necessary. In still other cases the occupant of a farm house may require only a few acres for subsistence purposes since he depends upon part-time work off the farm for the principal part of his cash income.

Where the head of the inadequately-housed farm family is a tenant, a sharecropper, or a farm laborer, arrangements with landlords would have to assure that the needy family, rather than the landlord, would receive the benefits of any subsidy which might be involved. Public works projects, in which the relation of the house to the farm would be recognized, together with some form of low-cost credit or a combination loan and grant procedure, might be useful devices in administering a rural housing program.

In certain situations it might be well to consider public purchase of land upon which houses and other farm buildings might be repaired or new ones constructed before the land and buildings were sold to needy farm families under long-time payment plans. In other situations credit only might suffice to bring about improvements in housing. Actual grants for a portion of the cost might be appropriate in many cases. The determination of the portion of the cost which should be borne by the government in the case of destitute farm families would be an important consideration in administering the program.

Part of the public investment involved in a rural housing program would be self-liquidating in the sense of actual repayment of funds to the government. The rest of the investment should be self-liquidating in the sense of dividends to society as a whole in terms of better health of farm families, lowered relief costs, a stoppage of waste of unemployed human resources, and citizens who would be better satisfied with democratic institutions during a period when, throughout the entire world, Democracy has been challenged.

